

Date: July 22, 2004

To: Chairman Randolph and Commissioners Blair, Downey, Karlan and Knox

From: Mark Krausse, Executive Director

## EXECUTIVE DIRECTOR'S REPORT

This is a summary of administrative activity and other matters since the report sent to you prior to the last Commission meeting.

### A. BUDGET AND PERSONNEL

The Governor and legislative leadership continue to negotiate the details of a state budget. Our budget cut, as modified by the Legislature, calls for a \$500,000 reduction from the prior year's level. The Department of Finance has requested a summary of the impact of an additional \$171,000 reduction in preparation for a possible line-item veto of our budget.

Former Legal Counsel Kenneth Glick accepted a position with the California Electricity Oversight Board in late June.

Long-time Supervising Investigator Sue Straine was selected from a field of highly qualified candidates to succeed Chief Investigator Al Herndon. Sue's experience and dedication to the Commission will serve her well in her new role.

Analyst Sandy Johnson has been selected from a similarly competitive list of candidates to succeed Shirley Fong as the Enforcement Division's sole Analyst. While the Chairman and I will be lost without her, we congratulate her and wish her well in her new role—a position critical to the agency's enforcement mission.

The word "succeed" in the previous paragraphs was advisedly chosen, as Al Herndon and Shirley Fong will never truly be "replaced." Their combined half century of hard work and sincere dedication to the Commission, to the Political Reform Act, and to public integrity generally, are models for each of us to emulate. I know every employee of the Commission, past and present, joins me in expressing to Al and Shirley our admiration, gratitude, and heartfelt wishes of health and happiness in their retirements.

## B. STAFF PROJECTS

The Technical Assistance Division conducted campaign filing officer seminars in Fresno and Riverside. They also conducted Conflict of Interest Code seminars in San Diego, Windsor, Oakland, Concord, and two seminars in Sacramento. Staff also conducted two outreaches in Sacramento.

The Public Education Unit reports that a new historical archive section for selected Proposition 34-related materials has been created on the FPPC web site. In addition, staff coordinated the consolidation of the FPPC's Interested Persons subscription e-mail lists in order to reduce the number of duplicate e-mails some people were receiving. The unit also published the June *FPPC Bulletin* on our web site and sent it to 964 e-mail subscribers. PEU also estimates that there were about 26 outside listeners to all or part of the telephone broadcast of the Commission's June meeting with a combined total of about 1,900 listener-minutes.

Legal Counsel Scott Tocher will participate later this month in panel discussions in Santa Monica and San Francisco before members of the California Broadcasters' Association regarding advertising disclosure.

## C. APPROVAL OF CONFLICT OF INTEREST CODES/AMENDMENTS

Since the last Commission meeting, the agency has approved the following codes/amendments:

Bureau of State Audits  
California Exposition and State Fair  
Central Valley Schools Joint Powers Authority

## D. FINDINGS OF PROBABLE CAUSE

**Pierce O'Donnell, FPPC 01/323.** On June 28, 2004, probable cause was found to believe that Respondent, a Los Angeles attorney, made 26 contributions in names other than his own name, to the Hahn for Mayor committee, in violation of section 84301.

**Elaine Griffin, FPPC 03/257.** On June 18, 2004, probable cause was found to believe that Respondent, a former consultant to the Department of Water Resources in the California Energy Resources Scheduling division, impermissibly made two governmental decisions in which she had a financial interest, in violation of Government Code section 87100 (2 counts).

**Stuart W. Cahn, Stu Cahn to Take the 5th!, and Vicky L. Cahn, FPPC 02/175.** On June 18, 2004, probable cause was found to believe that Respondents failed to maintain the detailed accounts, records, bills, and receipts necessary to prepare the campaign statements that they filed on March 6, 1998, April 2, 1998, April 10, 1998 and July 30, 1998, for a period of four years following the filing of those statements, in violation of section 84104 (4 counts).

**Michael Jackman, FPPC No. 02/1083.** Michael Jackman, FPPC No. 02/1083. On July 16, 2004, probable was found to believe that respondent, a designated employee of the California Department Industrial Relations, failed to timely file a 1999, 2000, 2001, 2002, and 2003 annual statement of economic interests, in violation of section 87300 (5 Counts).

#### E. REQUESTS FOR EXTENSION OF COMMITTEE TERMINATION

Pursuant to regulation 18404.1, campaign committees facing termination by December 31, 2002, who desire an extension of that deadline must submit a request to the Executive Director by December 1, 2002. Since my last report to the Commission, I have responded to the following requests:

**Aghazarian for Assembly.** Fifth request for extension granted for five months. The committee provided evidence showing that it had made substantial progress towards retirement of its debts.

**Dave Brown for Assembly.** Second request for extension granted for three months to allow the committee time to provide evidence showing that the committee has made progress towards its debt retirement. The committee states that it has made progress and anticipates that it will make substantially more progress in the next six months.

**Nakanishi for Assembly and Nakanishi for Senate.** Fourth request for extensions granted for six months to allow time to resolve legal questions regarding distribution of funds for loan repayment purposes.

**Governor Gray Davis Committee.** First request for extension granted for six months because the committee will be audited by Franchise Tax Board and may be subject to a discretionary audit.